

INFORMATION REPORT

CD NO

10 Mar 52

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SUBJECT Conditions in Shanghai

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SUPPLEMENT TO
REPORT NO

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1. A number of jet planes were seen over Shanghai. The planes, usually six to a formation, were seen [redacted] in the morning although they flew over the city at other times.
2. There were no Soviets in uniforms, but many Soviets in civilian clothes drove about down-town in Soviet-made jeeps. The Soviets, who have increased in number, are not very well dressed; they stay at Broadway Mansions and at Sassoon House.
3. There were no Soviet ships in Shanghai harbor. Five or six of the cargo steamers in port flew the Chinese Communist flag. Some of the steamers were about 7,000 tons and had carried coal from Ch'inhuangtao (119-35, 39-57) and Fushun (121-54, 41-53). Coal was piled up on most wharves along the waterfront. There were also six or seven ships flying the Panamanian flag, but they did not put to sea for fear of being intercepted by Nationalist warships.
4. The economic situation in Shanghai is getting worse. The famous K'ang Lo [redacted] Restaurant on Bubbling Well Road has gone out of business. Its furniture and other holdings were sold at auction in order to give three months' severance pay to its employees. Actually each employee received JMP 1,300,000, more than three months' salary. The business was a complete loss to the owners since they could not obtain any balance from the proceeds of the auction.
5. The Golden City Hotel has also gone out of business and has auctioned off its furniture. Each employee was given JMP 3,000,000, well over three months' salary. These employees will not be able to find similar jobs in the future because no large hotel and restaurants will be opened in view of the generally impoverished situation. There are general complaints about the difficulties in making a living.
6. Workers in factories are faring slightly better. Those who are presently employed draw only small wages and pool their earnings with idle members of the same union. Women workers are permitted to take a three months leave during and after child-birth. During the day working mothers may leave their babies at a public nursery.

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CENTRAL INTELLIGENCE AGENCY

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7. The cost of living went down in late November as compared with early October by five percent. The price of rice was JMF 150,000 a picul, pork JMF 8,000 a catty, beef JMF 7,000 a catty. People had to stand in line to buy beef and were given no choice of grade.
8. The official rate of the Joo Min Pinae is 5,490 for one Hong Kong dollar while the black market rate is 6,200. Merchants deal in the black market when they know one another very well.

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